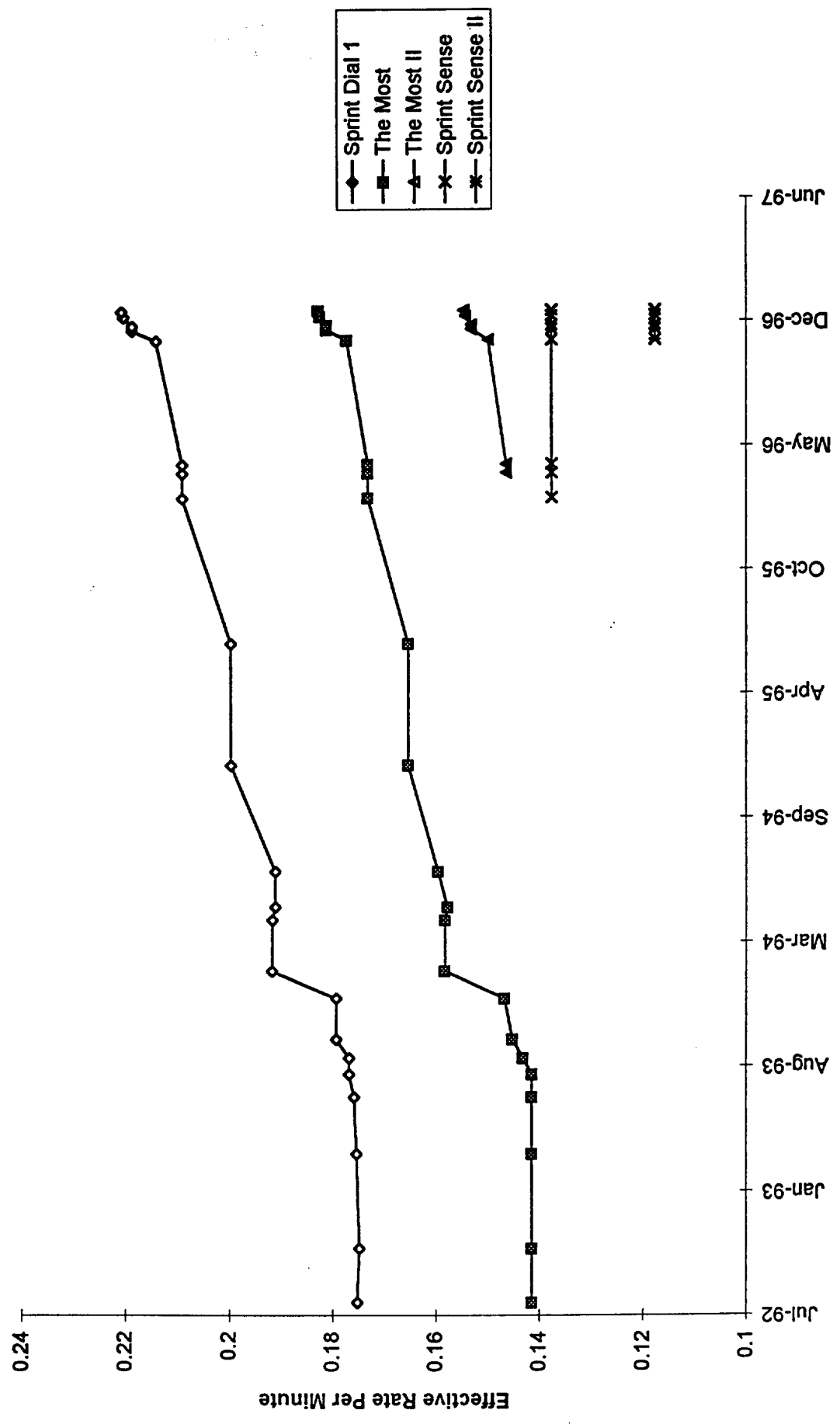


the large number of competitors, their shifting market shares, and the decreasing prices of their competitive products. No public interest analysis of BOC entry can fairly rely upon MacAvoy's skewed conclusions.

HISTORIC RATE CHANGES - RESIDENTIAL PRODUCTS

Figure 1



HISTORICAL RATE CHARGES - RESIDENTIAL PRODUCTS

Comparison By Rate Change Effective Date

<u>Effective Date</u>	<u>Sprint Dial 1</u>	<u>The Most</u>	<u>The Most II</u>	<u>Sprint Sense</u>	<u>Sprint Sense II</u>
8/5/92	0.1752	0.1414			
11/1/92	0.1748	0.1414			
4/1/93	0.1754	0.1414			
7/1/93	0.1758	0.1414			
8/6/93	0.1768	0.1414			
9/1/93	0.1768	0.1431			
10/1/93	0.1793	0.1452			
12/6/93	0.1793	0.1467			
1/19/94	0.1918	0.1583			
4/11/94	0.1917	0.1582			
5/2/94	0.1911	0.1577			
6/28/94	0.1911	0.1595			
12/16/94	0.1997	0.1653			
2/21/96	0.2090	0.1731		.1375	
4/1/96	0.2090	0.1731	0.1463	.1375	
4/15/96	0.2090	0.1731	0.1463	.1375	
11/1/96	0.2140	0.1772	0.1498	.1375	.1176
11/18/96	0.2187	0.1811	0.1531	.1375	.1176
11/25/96	0.2187	0.1811	0.1531	.1375	.1176
12/9/96	0.2203	0.1824	0.1542	.1375	.1176
12/18/96	0.2207	0.1827	0.1545	.1375	.1176

Assumptions:

Interstate Direct Dialing calling

Traffic Distribution 40% Day 30% Eve 30% Nyt

Mileage Distribution 20% 1-292 20% 293-430 20% 431-925 20% 926-1910
20% 1911-3000

“The Most Discount” 50% of traffic receives 20% discount (Calls made to another Sprint customer or Most Called Customer)

20% of traffic receives 36% discount (Most Called Number is a Sprint Customer)

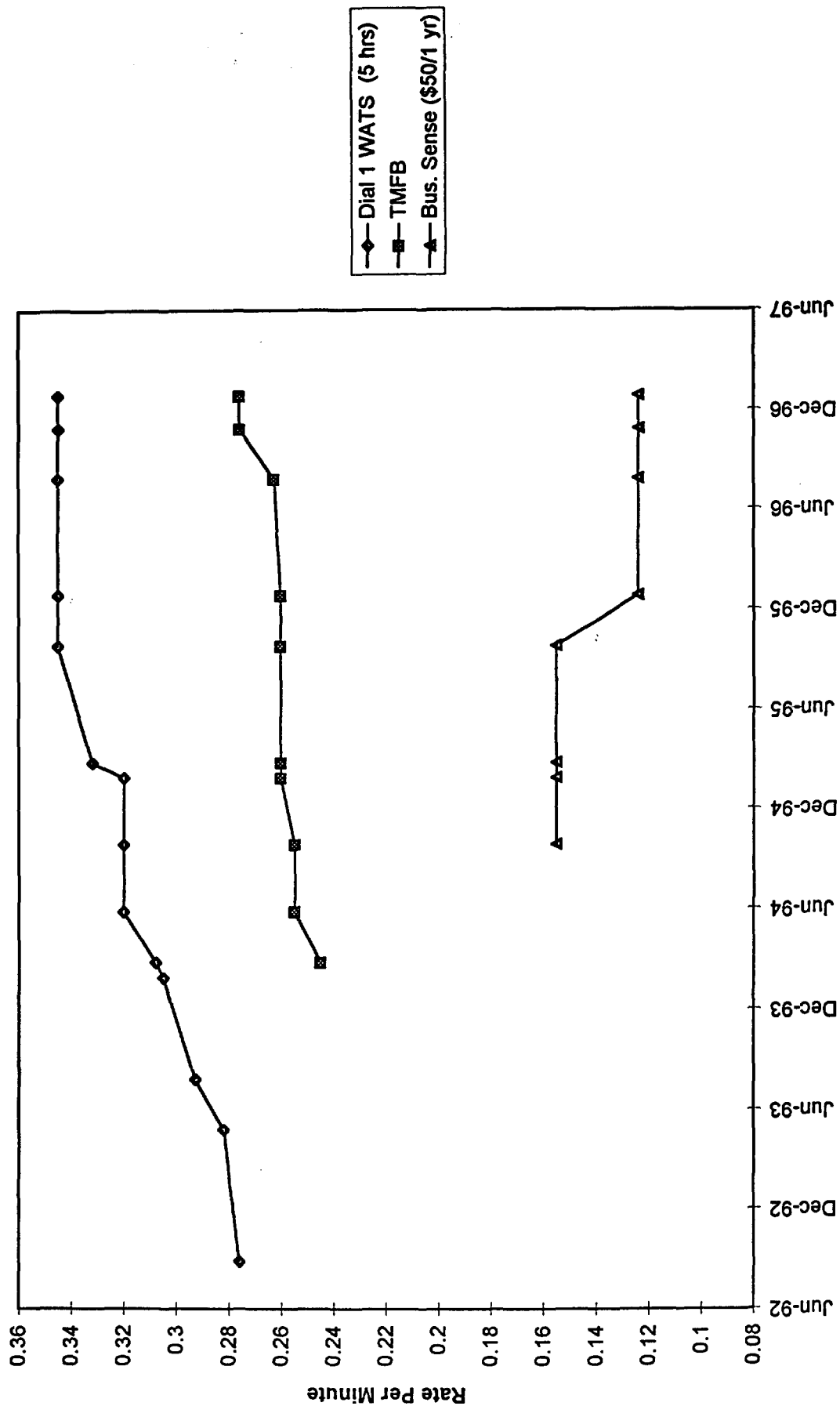
“The Most II” Discount: 30% average

Sprint Sense Traffic Distribution: 25% Peak 75% Off-Peak

Sprint Sense II with the Pinpoint Promotion: 53% of Peak traffic receives \$0.10 per minute rate (Calls made to the Most Called Number)

Figure 2

HISTORICAL RATE CHANGES - BUSINESS PRODUCTS



HISTORICAL RATE CHANGES - BUSINESS PRODUCTS

<u>Effective Date</u>	<u>Dial 1 WATS</u>	<u>TMFB</u>	<u>Business Sense</u>
Sep 92	0.2760		
Mar-93	0.2820		
Aug-93	0.2930		
Feb-94	0.3050		
Mar-94	0.3080	0.2451	
Jun-94	0.3200	0.2550	
Oct-94	0.3200	0.2550	0.1550
Feb-95	0.3200	0.2603	0.1550
Mar-95	0.3320	0.2603	0.1550
Oct-95	0.3450	0.2603	0.1550
Jan-96	0.3450	0.2603	0.1240
Aug-96	0.3450	0.2629	0.1240
Nov-96	0.3450	0.2761	0.1240
Jan-97	0.3450	0.2761	0.1240

Assumptions:

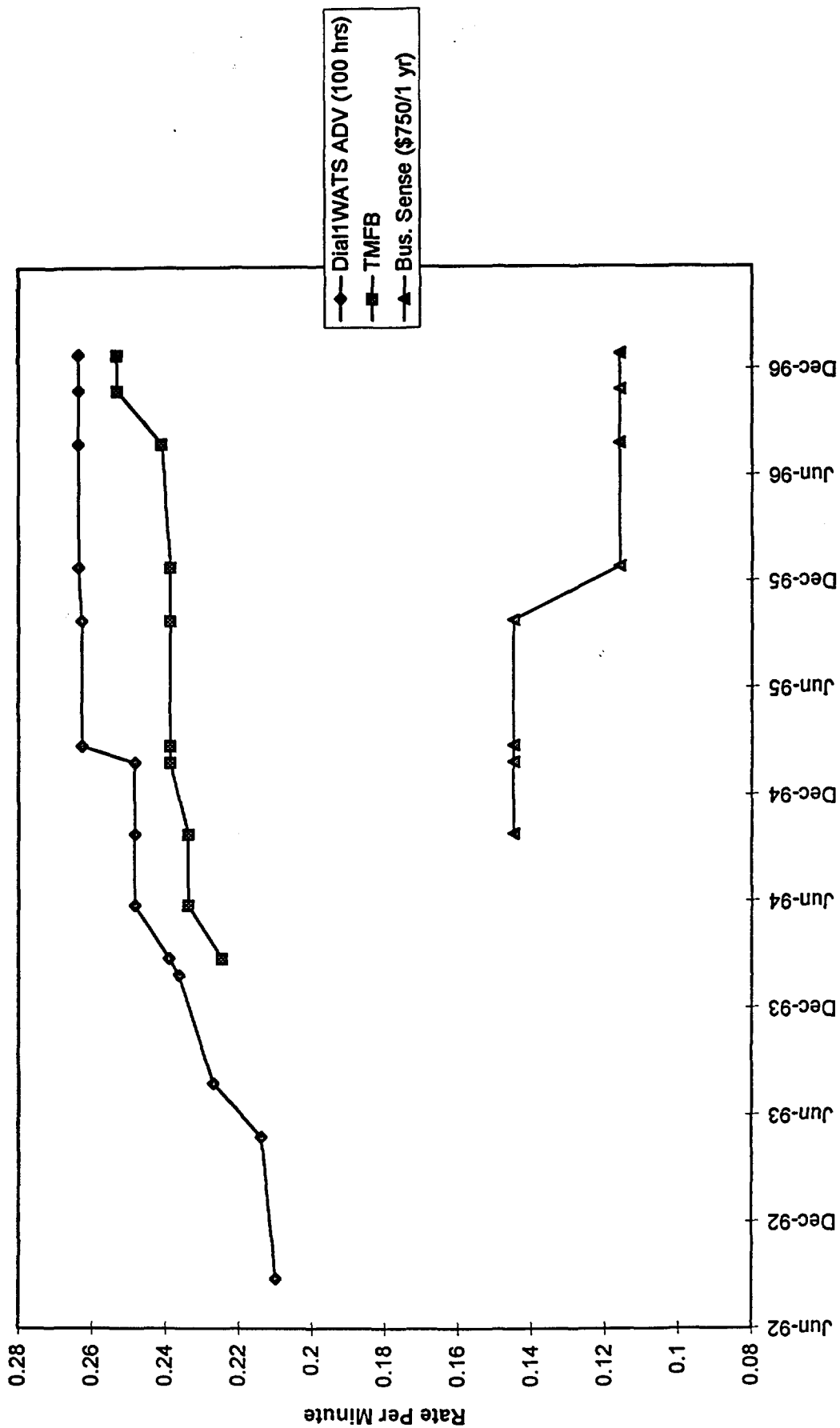
Dial 1 WATS: The rates reflected above are based on 5 hour usage, Peak, and Band 3. Fully blended rates are about 11% lower assuming \$50.00 monthly usage.

The Most for Business: The rates reflected above are fully blended rates assuming the following:
Peak 85% and Off-Peak 15%. 10% Corridor, 10% Regional and 80% National. 70% Outbound and 30% Inbound. 4% discount for \$25 dollar monthly usage and 1 year term plan.

Business Sense: The rates reflected above are Business Sense base rates for \$50 dollar monthly usage and 1 year term plan. Fridays Free promotion was introduced in January 1996. The Fridays Free assumption is a 20% discount (1 day free out of 5). Business Sense base rates have not changed since its introduction.

Figure 3

HISTORICAL RATE CHANGES - BUSINESS PRODUCTS



HISTORICAL RATE CHANGES - BUSINESS PRODUCTS

<u>Effective Date</u>	<u>Dial 1 WATS Advantage</u>	<u>TMFB</u>	<u>Business Sense</u>
Sep 92	0.2099		
Mar-93	0.2138		
Aug-93	0.2270		
Feb-94	0.2363		
Mar-94	0.2390	0.2246	
Jun-94	0.2484	0.2338	
Oct-94	0.2484	0.2338	0.1450
Feb-95	0.2484	0.2387	0.1450
Mar-95	0.2628	0.2387	0.1450
Oct-95	0.2636	0.2387	0.1450
Jan-96	0.2636	0.2387	0.1160
Aug-96	0.2636	0.2410	0.1160
Nov-96	0.2636	0.2531	0.1160
Jan-97	0.2636	0.2531	0.1160

Assumptions:

Dial 1 WATS

Advantage: The rates reflected above are Band 3 rates.
The Band 3 rates were blended for Peak 85% and Off-Peak 15%.
A volume discount of 2.5% was applied based on 100 hours of monthly usage (or approximately \$1,600 dollars).

The Most for Business: The rates reflected above are fully blended rates assuming the following:
Peak 85% and Off-Peak 15%. 10% Corridor, 10% Regional and 80% National. 70% Outbound and 30% Inbound. 12% discount for \$500 dollar monthly usage and 1 year term plan.

Business Sense: The rates reflected above are Business Sense base rates for \$750 dollar monthly usage and 1 year term plan. Fridays Free promotion was introduced in January 1996. The Fridays Free assumption is a 20% discount (1 day free out of 5). Business Sense base rates have not changed since its introduction.

Figure 4

PRICE-COST MARGINS FOR DIAL 1 MTS, THE MOST AND SPRINT SENSE PRODUCTS AND
MARKET CONCENTRATION

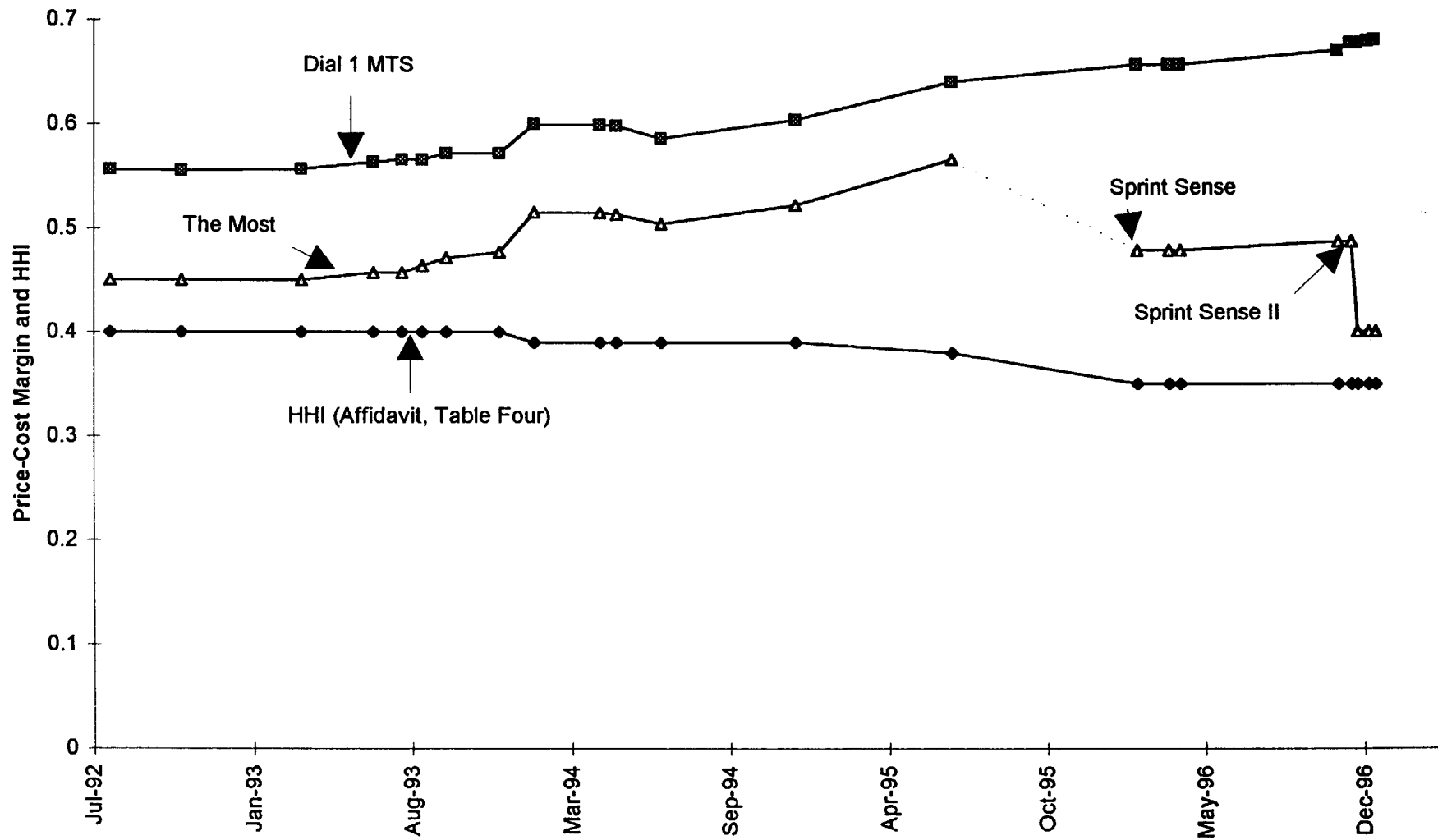


Figure 5

**PRICE-COST MARGINS FOR DIAL 1 WATS ADVANTAGE AND BUSINESS SENSE AND
MARKET CONCENTRATION**

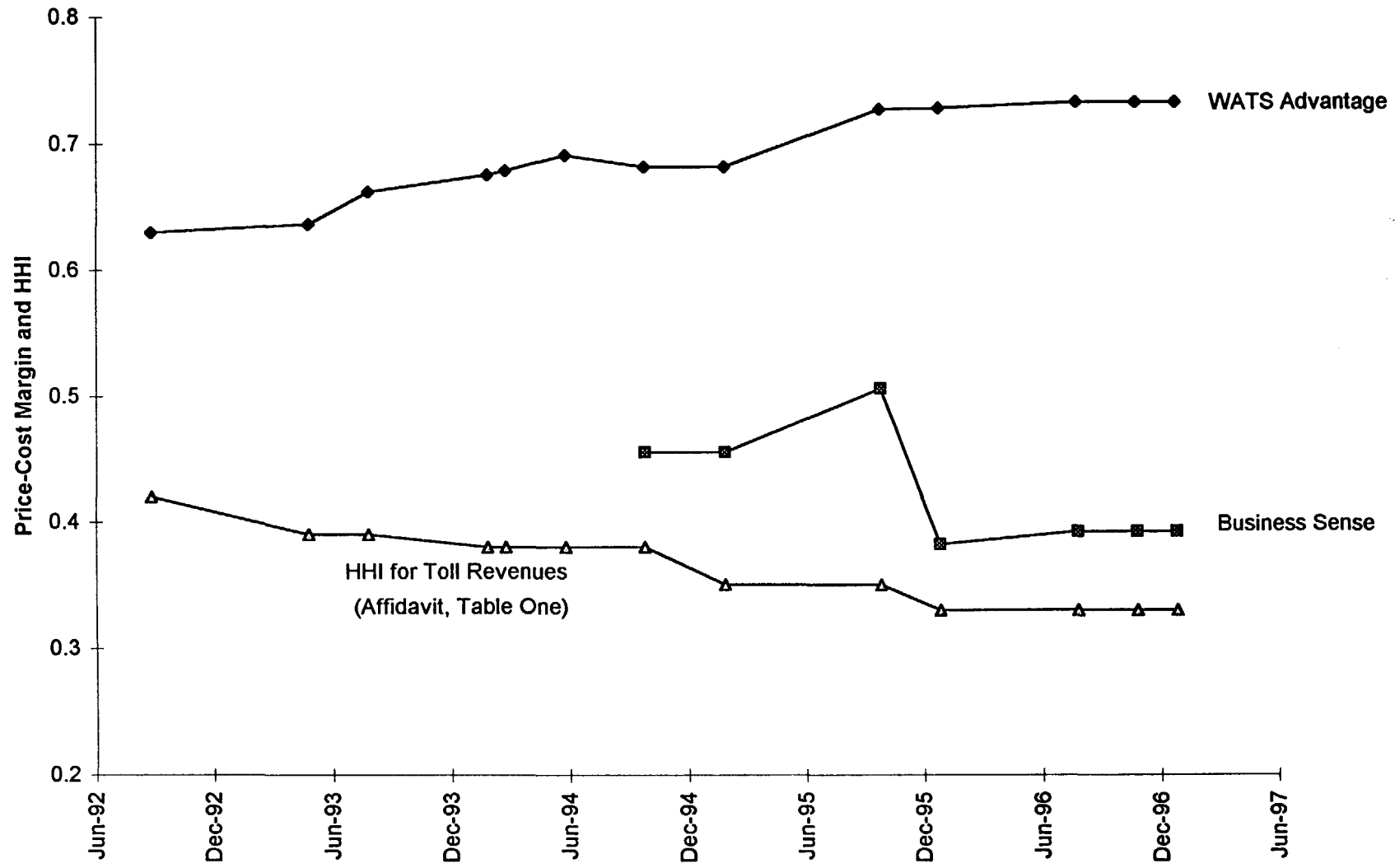


Figure 6

COMPARISON OF PRICE-COST MARGINS FOR INTERSTATE DIRECT DIAL MINUTES AND HHI

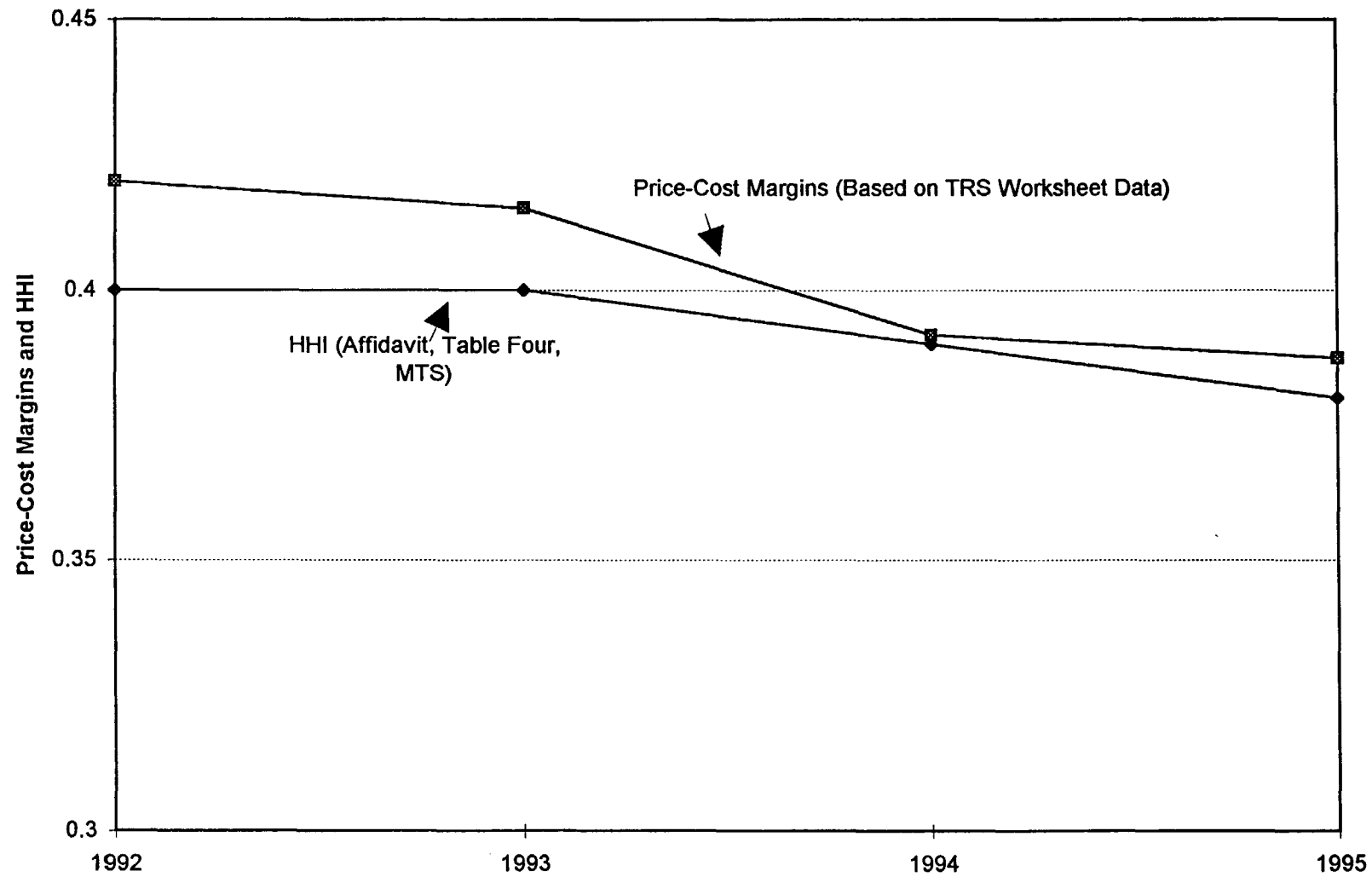
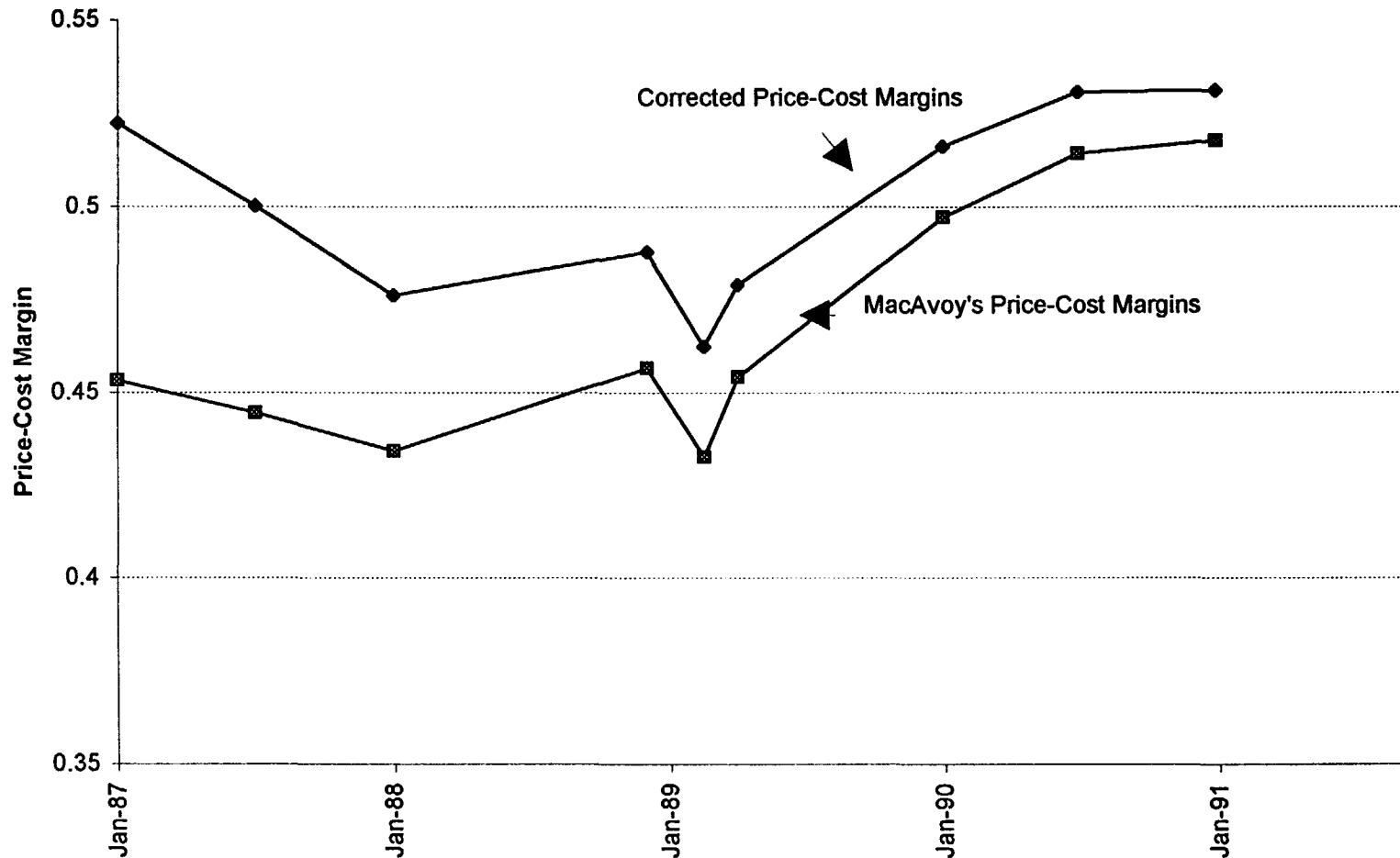


Figure 7

**COMPARISON OF MACAVOY'S PRICE-COST MARGINS FOR SPRINT'S MTS SERVICE AND
PRICE-COST MARGINS BASED ON CORRECTED ACCESS CHARGES**



Sources for MacAvoy's Price-Cost Margins: Marginal Costs: Paul W. MacAvoy, THE FAILURE OF ANTITRUST AND REGULATION TO ESTABLISH COMPETITION IN LONG-DISTANCE TELEPHONE SERVICE, Table 5-4. Sprint MTS Rates: Estimated from Affidavit, Figure One. Percentage of non-premium minutes for OCCs based on the ratio of non-premium minutes (Table 1) to Other Carriers' minutes (Table 2), "Long Distance Market Shares, Fourth Quarter 1996."

CERTIFICATE OF SERVICE

I Sharon Fields, do hereby certify that copies of the foregoing Petition to Deny have been sent, via first class mail (or by hand delivery where indicated *), on this 10th day of June, 1997 to the following:

Regina Keeney*
Chief, Common Carrier Bureau
FCC, Room 500
1919 M Street, N.W.
Washington, D.C. 20554

Richard Metzger*
Deputy Chief, CCB
FCC, Room 500
1919 M Street, N.W.
Washington, D.C. 20554

Richard K. Welch*
Chief, Policy & Planning
CCB
FCC, Room 544
1919 M Street, N.W.
Washington, D.C. 20554

Don Russell*
Chief, Telecommunications
Task Force
Antitrust Division
U.S. Department of Justice
Room 8104 Judiciary Center
555 4th Street, N.W.
Washington, D.C. 20001

Daniel Gonzalez*
Legal Advisor
Office of Comr. Chong
FCC
1919 M Street, N.W., Room 844
Washington, D.C. 20554

Tom Boasberg*
Senior Legal Advisor
Office of Chairman Hundt
FCC
1919 M Street, N.W., Room 814
Washington, D.C. 20554

James Casserly*
Senior Legal Advisor
Office of Commr. Ness
FCC
1919 M Street, N.W., Room 832
Washington, D.C. 20554

James Coltharp*
Special Counsel
Office of Commr. Quello
FCC
1919 M Street, N.W., Room 802
Washington, D.C. 20554

ITS Inc.*
2100 M Street, N.W.
Suite 140
Washington, D.C. 20037

Paul Gallant*
FCC
1919 M Street, N.W.
Room 544
Washington, D.C. 20554

Dorothy Wideman
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
Lansing, MI 48911

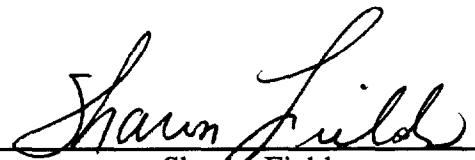
Lisa Gelb*
FCC
1919 M Street, N.W.
Room 544
Washington, D.C. 20554

Kalpak Gude*
FCC
1919 M Street, N.W.
Room 544
Washington, D.C. 20554

Jake Jennings*
FCC
1919 M Street, N.W.
Room 544
Washington, D.C. 20554

David Ellen*
FCC
1919 M Street, N.W.
Room 534-O
Washington, D.C. 20554

Florence Setzer*
FCC
1919 M Street, N.W.
Room 538-B
Washington, D.C. 20554


Sharon Fields